1972 SEP 21 PM 4 43

SECRET

HANDLE VIA [redacted] CONTROL SYSTEM

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DE RUXQBAA 415 2651840
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O 211835Z
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DISTRIBUTION		
SAFSS	A	I
Dr McLucas		
Dr Naka		
SS-1		
SS-2		✓
SS-3		✓
SS-4		
SS-5	7	
[redacted]		✓
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RD-2/IIF		
FILE		

~~SECRET~~ 211835Z SEP 72 CITE [redacted]
IMMEDIATE WHLG
SECUR
SECTION 1 OF 2
FOR HOFMANN FR COWEN
REF: [redacted]

REQUEST IMMEDIATE ASSISTANCE TO RESOLVE URGENT PROBLEM [redacted] THIS PACKAGE IS ORGANIZED AS FOLLOWS: [redacted] A RETRANSMISSION OF [redacted] DATED 9 JUNE 1972. PART II I[redacted] 16 JUNE 197[redacted] RESPONSE [redacted]AGE. PART III IS A [redacted]SSION OF [redacted] DATED 20 SEP 1972. PART IV IS OUR REPLY [redacted] WHICH CAN BE IMMEDIATELY IMPLEMENTED IF YOU CONCUR.

PAGE 2 [redacted] ~~SECRET~~
PART I.
~~SECRET~~ 091405Z JUN 72 CITE [redacted]
PRIORI[redacted]
SECUR OPS
FO[redacted] INFO [redacted]
SUBJ[redacted] PRECISION DENSITOMETER [redacted]
1. IN [redacted]5, AFSPPF, IN CONJUNCTION WITH THE NATIONAL BUREAU OF STANDARDS (NBS), INITIATED THRU [redacted] DEVELOPMENTAL EFFORT DIRECTED [redacted] AND FABRICATION OF TWO PRECISION DENSITOMETERS WHICH WOULD PROVIDE FOR STANDARDIZATION OF DENSITOMETRIC DATA BETWEEN THIS ORGANIZATION AN[redacted] THE DESIGN OF THE DENSITOMETER WAS TO BE BAS[redacted] UPON A COMPENSATED VARIABLE APERTURE AND INTEGRATING SPHERE AS PRESENTED BY MR. MCCAMY

SECRET

HANDLE VIA [redacted] CONTROL SYSTEM

WHO WAS THAN WITH THE [redacted] OF THE THREE RESPONSES
RECEIVED FROM THE REQUESTS FOR PROPOSAL [redacted]
[redacted] WAS SELECTED FOR
CONTRACT AWARD BASED ON THEIR SUPERIOR PROPOSAL.

SECRET
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CONTROL SYSTEM [redacted]

PAGE [redacted] SECRET

THIS CONTRACT CALLED FRO A PHASE I DESIGN EFFORT IN WHICH THE CONTRACTOR WOULD SUBMIT A PROPOSED DESIGN FOR THE INSTRUMENT, AND FOLLOWING ACCEPTANCE OF THIS DESIGN, THE CONTRACTOR WOULD BE AUTHORIZED TO PROCEED WITH PHASE II, IN WHICH TWO PROTOTYPE INSTRUMENTS WOULD BE FABRICATED. THIS CONTRACT WAS AWARDED IN APRIL 1966 FO[redacted] A FIRM FIXED PRICE (FFP) BASIS.

2. THE CONTRACTOR SUBMITTED THE PHASE 1 DESIGN STUDY REPORT IN OCTOBER 1966 AND FOLLOWING ITS ACCEPTANCE, THE CONTRACTOR WAS AUTHORIZED TO PROCEED WITH PHASE II. BY JANUARY 1968, IT BECAME APPARENT THAT THE CONTRACTOR WOULD BE UNABLE TO MEET THE ORIGINAL DELIVERY SCHEDULE FOR THE TWO INSTRUMENTS, AND THE CONTRACTOR REQUESTED, AND WAS GRANTED, ADDITIONAL TIME TO COMPLETE THE PHASE II PORTION OF THIS CONTRACT. IN AN EFFORT TO SATISFY REQUIREMENTS AS SET FORTH IN THE ORIGINAL CONTRACT AND THE PHASE I DESIGN STUDY REPORT (WHICH SERVED AS A BASIS FOR THE PHASE III EFFORT),

PAGE [redacted] SECRET

THE CONTRACTOR IN MAY 1968 AGAIN REQUESTED A DELAY IN THE DELIVERY SCHEDULE. BY MID-1968, IT BECAME APPARENT THAT THE CONTRACTOR WAS EXPERIENCING GREAT DIFFICULTY IN SATISFYING THE DEMANDING SPECIFICATIONS OF THIS PROGRAM AND, AT THIS TIME, THE CONTRACTOR REQUESTED THAT THE GOVERNMENT CONSIDER PROVIDING HIM ADDITIONAL FUNDS. SINCE THIS WAS AN FFP CONTRACT, THE CONTRACTING OFFICER ADVISED THE CONTRACTOR THAT ADDITIONAL FUNDS COULD ONLY BE PROVIDED WHERE THE CONTRACTOR COULD SHOW THAT ADDITIONAL FEATURES WERE BEING PROVIDED WHICH EXCEEDED CONTRACT SPECIFICATIONS. THROUGHOUT 1969, THE CONTRACTOR CONTINUED TO REPORT PROBLEMS IN SATISFYING CONTRACT SPECIFICATIONS WHILE AT THE SAME TIME REQUESTING ADDITIONAL TIME TO PERFORM, AS THE CONTRACTOR DID NOT DESIRE TO HAVE THIS PROGRAM TERMINATED BY THE GOVERNMENT FOR REASONS OF DEFAULT. MEANWHILE, THE CONTRACTOR'S CLAIM FOR ADDITIONAL FUNDS WAS REVIEWED BY THE GOVERNMENT AND THERE APPEARED AT THAT TIME TO BE LITTLE BASIS FOR ADDITIONAL FUNDS IN THAT THERE WAS LITTLE EVIDENCE THAT THE CONTRACTOR HAD EXCEEDED

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ORIGINAL CONTRACT SPECIFICATIONS OR HAD PROVIDED FEATURES NOT REQUIRED BY THE CONTRACT. FINALLY, IN MARCH 1970 THE FIRST INSTRUMENT WAS ACCEPTED BY THE GOVERNMENT, AND IN AUGUST 1970, THE SECOND UNIT WAS ACCEPTED.

3. SINCE NO SETTLEMENT HAD BEEN REACHED ON THE CONTRACTOR'S ORIGINAL CLAIM FOR ADDITIONAL FUNDS, THE CONTRACTOR SUBMITTED A REVISED CLAIM FOR ADDITIONAL FUNDS IN THE AMOUNT O[redacted] AUGUST 1971. IN DECEMBER 1971, THE CONTRACTING OFFICER ADVISED THE CONTRACTOR OF THE RESULTS OF THE REVIEW OF THEIR CLAIM AND ATTEMPTED TO NEGOTIATE A SETTLEMENT BASED ON ONE FEATURE WHICH APPEARED TO EXCEED ORIGINAL CONTRACT SPECIFICATIONS. BECAUSE THE CONTRACTOR WAS NOT SATISFIED TO SETTLE HIS CLAIM ON ONLY THIS BASIS, THE CONTRACTOR'S CLAIM WAS REFERRED TO THE OFFICE OF THE AIR FORCE TRIAL ATTORNEY FOR RESOLUTION.

4. IN MAY 1972, THE AIR FORCE TRIAL ATTORNEY CONVENED A MEETING IN ORDER TO FORMULATE THE GOVECNMENT'S LEGAL POSITION IN REGARD TO THE CONTRACTOR'S CLAIM OF 31 AUGUST 1971. DURING THE COURSE OF THIS MEETING, THE AIR FORCE TRIAL ATTORNEY INDICATED THAT HE HAD

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CONTROL SYSTEM

SOME CONCERN ABOUT THE OUTCOME OF THIS CASE IN THAT THE GOVERNMENT HAD HELD THE CONTRACTOR TO AN FFP CONTRACT FOR A DEVELOPMENTAL EFFORT WHICH MORE APPROPRIATELY SHOULD HAVE BEEN A COST PLUS CONTRACT. ADDITIONALLY, THERE WAS SOME CONCERN OVER THE ACCURACY REQUIREMENT STATED IN THE ORIGINAL SPECIFICATIONS AND THAT LATER REQUIRED OF THE CONTRACTOR, BASED ON HIS PHASE I DESIGN STUDY REPORT SUBMISSION. AT THIS TIME THE AIR FORCE TRIAL ATTORNEY IS PREPARING A WRITTEN RESPONSE TO THE CONTRACTOR'S CLAIM PRIOR TO APPEARING BEFORE THE BOARD OF CONTRACT APPEALS WHICH IS TENTATIVELY SCHEDULED FOR AUGUST OF THIS YEAR. THE TRIAL ATTORNEY HAS INDICATED THAT THE CONTRACTOR MAY BE WILLING TO SETTLE THIS CLAIM WITHOUT APPEARING BEFORE THE BOARD OF CONTRACT APPEALS. HOWEVER, THERE IS NO ASSURANCE THAT THIS WILL BE THE CASE. SHOULD THIS CASE BE BROUGHT BEFORE THE BOARD OF CONTRACT APPEALS, THE AIR FORCE TRIAL ATTORNEY HAS INDICATED THAT HE WILL REQUIRE AS WITNESSES ON BEHALF OF THE GOVERNMENT TWO MEMBERS OF THIS ORGANIZATION, AS WELL AS REPRESENTATIVES OF ASD WHO WERE INVOLVED IN THIS DEVELOPMENTAL EFFORT.

5.

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[illegible]

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HANDLE VIA [illegible]

1972 SEP 21 PM [illegible]

S E C R E T 211835Z SEP 72 CITE [illegible]
[illegible]
SECUR
FINAL SECTION OF 2
[illegible]
5. IN THE EVENT MEMBERS OF THIS ORGANIZATION ARE REQUESTED TO APPEAR AS WITNESSES BEFORE THE BOARD OF CONTRACT APPEALS, REQUEST YOUR GUIDANCE AS TO THEIR CONDUCT RELATIVE TO THE EXPOSURE OF THIS ORGANIZATION. SHOULD YOU DESIRE THAT MEMBERS OF THIS ORGANIZATION NOT APPEAR AS WITNESSES, REQUEST THAT WE BE ADVISED OF PROCEDURES TO FOLLOW TO ARRANGE FOR THESE PERSONNEL TO BE EXCUSED.
PART II.

PAGE [illegible] S E C R E T
SECRET 162115Z JUN 72 CITE [illegible]
[illegible]
SECUR
[illegible]Delete This[illegible]
[illegible]
1. REPRESENTATIVES OF THE SPPF MAY APPEAR IN COURT IN THE CASE CITED IN [illegible] AND TESTIFY ON BEHALF OF THE GOVERNMENT AS REPRESENTATIVES OF SPPF.
2. BY AUGUST WE SHALL FURNISH YOU A POLICY STATEMENT AND RATIONALE THAT WILL ALLOW YOU TO RESPOND TO QUERY OR ACKNOWLEDGE ON A LOW KEY BASIS THAT YOU DO PHOTO PROCESSING.
PART III.

SECRET

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CONTROL SYSTEM [illegible]

SECRET 221455Z SEP 72 CITE [illegible]
PRIORITY CHARGE
[illegible]CUR/POLICY
[illegible]
SUBJECT: [illegible]RELEASE OF CONTRACTUAL DOCUMENTS [illegible]ASE
REF: [illegible] 16 JUNE 72
[illegible]UNE 72

PAGE [illegible] S E C R E T

PAGE [redacted] SECRET

4. IN [redacted] ORIGINAL MESSAGE THE CHRONOLOGY OF THE [redacted] PROCUREMENT WAS DETAILED AND THE SUBSEQUENT LITIGATION PROBLEMS DISCUSSED. IN YOUR [redacted] YOU AGREED WITH OUR PEOPLE BEING INVOLVED IN THE PRELIMINARY REVIEW OF THE CASE AND STATED WE COULD HAVE POLICY GUIDANCE BY MID AUGUST WHICH WOULD ENABLE FUTURE DECISIONS TO BE MADE. NO SUCH GUIDANCE HAS BEEN FORTHCOMING.

[redacted] RECEIVED CORRESPONDENCE ON 19 SEPT 72 FROM MR. EDWARD T. CONSTABLE, TRAIL ATTORNEY, AFLSC/JAB [redacted] STATING IN PART, QUOTE: "REQUEST YOU REVIEW DOCUMENTS ON FILE IN YOUR ORGANIZATION RELATIVE TO THE SUBJECT CONTRACT WITH A VIEW TOWARD EVENTUAL ACCESS [redacted] COUNSEL. DOCUMENTS SHOULD BE SORTED INTO FOUR CATEGORIES (I) PROPOSALS OF OTHER COMPANIES, (II) BID EVALUATION AND NEGOTIATION DOCUMENTATION, (III) LEGAL OPINIONS AND REQUESTS THEREFOR, AND (IV) ALL OTHER DOCUMENTS, NOTES, MEMORANDA, ETC. IN PARTICULAR, YOU ARE REQUESTED TO EARMARK ANY DOCUMENT IN ANY CATEGORY WHICH YOU FEEL CONTAINS EITHER PROPRIETARY INFORMATION OF OTHER COMPANIES OR COMMENTS WHICH COULD ADVERSELY AFFECT THE GOVERNMENT'S CASE." UNQUOTE.

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3. MR. [redacted] HAS REQUESTED THIS REVIEW BE COMPLETED BY 26 SEPT 72 AND STATED THE RELEASIBILITY AND ARRANGEMENTS FOR ACCESS BY CONTRACTOR'S COUNSEL WILL BE SUBSEQUENTLY DETERMINED.

[redacted] IN THE PROCESS OF IDENTIFYING AND CATAGORIZING [redacted] UNCLASSIFIED DOCUMENTATION ACCORDING TO MR. CONSTABLE'S INSTRUCTIONS. WE FEEL HIS CATAGORY (IV) WILL CREATE THE GREATEST PROBLEMS IF WE RECEIVE PRESSURE TO MAKE ALL RECORDS AVAILABE.

5. DUE TO THE SHORT SUSPENSE REQUEST UNEQUIVOCAL GUIDANCE REACH THIS OFFICE BY COB 22 SEPT 72.

E-2 INPDET

PART IV.

REFERENCE WHIG DECISION REGARDING CITED REFERENCES. [redacted]

QUOTE:

1. CONFIRM PARA 1, [redacted]

2. YOU MAY ACKNOWLEDGE AND RELEASE MATERIALS THAT INDICATE YOU ARE INVOLVED IN PHOTO ACTIVITY.

3. DO NOT RELEASE INFORMATION THAT:

PAGE 5 [redacted] SECRET

A. REVEAL [redacted] AND SCOPE OF YOUR OPERATION.

B. YOUR ASSOCIATION TO SPACE ORGANIZATIONS, I.E., SAFSP, SAMSO, OR SAFSS (PLEASE ADVISE IF IT IS NECESSARY TO REVEAL ASSOCIATION TO SAMSO).

C. DO NOT REVEAL ANY INFORMATION THAT INDICATES YOU PROCESS OR ARE INVOLVED WITH SATELLITE-DERIVED PHOTOGRAPHY. UNQUOTE.

De[redacted] ADVISED OF THIS ACTION BY COPY OF PART IV OF THIS MESSAGE. E-2 INPDET

SECRET